

— Report to Shareholders

Your company continued to exhibit good growth during the first half of 1973. Pre-tax earnings for the six months ended June 30, 1973 were \$190,162, an increase of 33% over the similar period of 1972. The company is now subject to income taxation at full rates, and net income after providing for taxes was \$127,489. All results shown are unaudited, and are subject to year end adjustments.

Deposits at June 30, 1973 were \$26,168,103, an increase of 37% over the year previous figures and 19% over the December 31, 1972 totals. However, an unduly large proportion of this growth occurred in the higher cost classes of deposits. The company has now almost fully utilized its presently authorized deposit capacity, and at the just concluded Special Meeting of Shareholders, approval was given for application for an increase in these deposit limits.

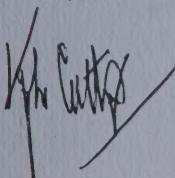
The company's fifth branch was opened in premises owned by the company in Brandon, Manitoba on March 31st. Under Mr. Hugh Knowlton as manager, the initial growth of this branch has substantially exceeded our expectations.

Our mortgage portfolio increased to \$23,978,000 at June 30th which is 53% higher than the levels of one year earlier. Our new mortgage office in Vancouver is now in full operation under the management of Mr. Gordon Hollands.

The increase in our mortgage originations during the period under review enabled us to resume our mortgage trading operations. To direct the development of this field, we have engaged the services of Mr. Jack Willis. Mr. Willis was formerly Chairman of Council for the Metropolitan Corporation of Greater Winnipeg and his abilities will be of major assistance in this program.

Interest rates have increased sharply in recent months, and this factor has now started to impact negatively on trust company margins. We expect that relative margins will continue to narrow for the balance of the year, as compared to the second half of 1972. However, absolute margins will not decline, if our projected volume increases materialize, and providing there is no further upward spurt in interest rates. Overhead, particularly in the area of personnel costs, has continued to rise strongly.

The company's level of profitability during the last half of 1973 will depend upon its ability to expand its revenues through increases in volume and fees, at a faster rate than the steep and inexorable increases it faces in its costs. Over the long term your company is well positioned to continue its rapid progress.



K. L. CUTTS, President



Semi-Annual Report to June 30th, 1973

Subsidiary of Fidelity TRUST Co.
Acquired 1949; Amalgamated 1950

Concorde

	June 30/73	June 30/72
Consolidated Statement of Income for 6 Months Ending		
Gross Revenue	\$ 1,232,620	\$ 888,731
Expenses		
Interest	760,914	537,191
Other	281,544	208,575
Total Expenses	\$ 1,042,458	\$ 745,766
Net Income before Taxes	190,162	142,965
Income Taxes	62,673	N.A.
Net Income for the Period	127,489	N.A.

Consolidated Balance Sheet

Assets		
Cash and Short Term Deposits	\$ 1,549,665	\$ 1,037,693
Mortgage and Other Loans	24,027,707	16,117,067
Bonds	3,478,096	3,194,417
Stocks	284,885	329,868
Other	681,873	521,695
Total Assets	<u>\$30,022,226</u>	<u>\$21,200,740</u>

Liabilities and Shareholder's Equity

Liabilities		
Demand Deposits	\$10,086,000	\$ 7,718,843
Term Deposits	16,082,103	11,198,994
Total Deposits	<u>\$26,168,103</u>	<u>\$18,917,837</u>
Bank Loan	1,350,000	
Other Liabilities	119,023	99,415
Total Liabilities	<u>\$27,637,126</u>	<u>\$19,017,252</u>

Shareholder's Equity

Capital Stock		
Issued and Fully Paid		
196,000 shares (1972 - 195,750 shares)	\$ 1,960,000	\$ 1,957,500
Mortgage and Investment Reserve	80,000	30,000
Contributed Surplus	500	
Retained Earnings	344,600	195,988
Total Shareholder's Equity	<u>2,385,100</u>	<u>2,183,488</u>
Total Liabilities and Shareholder's Equity	<u>\$30,022,226</u>	<u>\$21,200,740</u>